UAB FMĮ Orion Securities

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR 2021, PREPARED IN ACCORDANCE WITH
INTERNATIONAL FINANCIAL REPORTING STANDARDS
AS ADOPTED BY THE EUROPEAN UNION
PRESENTED TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

CONTENTS

ROSK CONSULTING

INDEPENDENT AUDITOR'S REPORT

To the shareholders of UAB FMĮ Orion Securities:

Report on the audit of the financial statements

Opinion

We have audited the financial statements of UAB FMĮ Orion securities (hereinafter –„the Company") which comprise the statement of financial position as at 31 December 2021, the statement of the comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended and the notes to the financial statements, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the Law on Audit of Financial Statements of the Republic of Lithuania and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Each audit matter and our respective response are described below.

The key audit matter	**Response to the key audit matter**
Recognition and measurement of financial instruments (see notes 12 and 14 to the financial statements)	
As at 31 December 2021 in the statement of financial position the Company accounted for the financial assets which are measured at fair value through profit (loss) and which amounted to EUR 1 280 thousand and financial assets which are carried at amortized cost that amounted to EUR 590 thousand. Most of the Company's financial instruments are carried at fair value. Fair value is determined according to the publicly available prices for active financial market stock prices or other publicly available information. Part of the financial instruments such as granted loans with fixed interest rate and REPO contracts are carried at amortized cost, using the effective interest rate method.	We conducted these audit procedures, among others: For the selected financial instruments exposures, we have recalculated the carrying amounts at the year-end based on the type of the financial instrument and the corresponding accounting policy requirements: • We have received third-party confirmations for the amounts and actual balances of certain financial instruments; in some cases in third-party (bank) confirmations market prices were quoted; • We have reviewed the financial instruments, measured at amortized costs as at 31 December 2021, and we have assessed the correctness of accounting for these amounts, including interest calculation and value;

The financial instruments and their value in the Company's statement of financial position as at 31 December 2021 comprise a significant amount – about 47% of the Company's assets, therefore we believe that this area is the key audit matter.	• We have recalculated the balances of the respective financial instruments by using publicly available regulated market prices or other available data and we have compared them with the carrying amounts of the respective financial instruments in 31 December 2021 in the statement of financial position of the Company.
Recognition of income from services and commission fees (see Note 1)	
The Company provides 3 main services: brokerage services in capital markets, corporate finance services and private and investment banking services. Other services (market making and financial instrument accounting and custody) comprise a small part of the Company's revenue. The Company's revenue is accounted for by issuing invoices or charging directly from the customer's accounts according to the contractual commissions and other fees rates. During 2021 the Company's revenue from services and commission fees amounted of EUR 4.5 million. Significant changes related to the transaction volumes, commissions and other fees could have a significant impact on the Company's financial performance for the reporting year. Due to significance of this amount, we believe that this area is the key audit matter.	We conducted these audit procedures, among others: We have performed tests of detail and reviewed third-party approvals for revenue accounted for by issuing invoices to customers or by contracts. We have performed tests of control and tests of detail for revenue that is accounted for on completion of the transaction and for which the payment is charged directly from the customer's account (according to the Company's set rates which are also provided in a contract with a customer). We have reviewed control procedures, related with the completed transactions: • We have selected certain records within revenue in the accounting system and compared them with details of the relevant records in the Company's system where transactions are recorded; • We have checked selected transactions with the transactions in the banking system through which these transactions were made (date, amount, transaction type); • We have checked whether commission fee charged for the respective transaction meets rates applied by the Company; • We have tested the verification controls of the performed transactions – for selected transactions we listened to the customer's orders/confirmations of transactions made by phone call.

Other information

The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon, except as specified below.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

In addition, our responsibility is to consider whether information included in the Company's annual report, are prepared is consistent with the financial statements and whether annual report has been prepared in compliance with applicable legal requirements. Based on the work carried out in the course of audit of the financial statements, in our opinion, in all material respects:

- The financial information presented in the Company's annual report is consistent with the financial statements; and
- The Company's annual report has been prepared in accordance with the requirements of the Law on Financial Reporting by Undertakings of the Republic of Lithuania.

Responsibilities of Management and Those Charged with Governance for Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Under the decision of the general shareholders' meeting on 16 June 2020 we were appointed to audit the Company's financial statements. Our appointment to audit the Company's financial statements was approved by the decision of the general shareholders' meeting for 2 years, and the total uninterrupted period of engagement is 4 years.

We confirm that our audit opinion expressed in the Opinion section of our report is consistent with the audit report for the financial statements presented to the Company and its management board.

We confirm that to the best of our knowledge and belief, services provided to the Company are consistent with the requirements of the law and regulations and do not comprise non-audit services referred to in Article 5(1) of the Regulation (EU) No 537/2014 of the European Parliament and of the Council.

In the course of audit, we have not provided any other services except for audit of the financial statements.

The audit engagement partner for this independent auditor's report is Romanas Skrebnevskis.

Auditor Romanas Skrebnevskis
Auditor certificate No. 000471

ROSK Consulting UAB
Audit company certificate No. 001514

Vilnius, Lithuania
25 March 2022

THE HEAD'S WORD

While still struggling with the pandemic and its aftermath, the world is now facing new challenges – war in Europe (Ukraine) and inflation.

Unfortunately, the Western world continues to watch the barbaric attacks of the Russian Federation against the peaceful and democratic country of Ukraine and its people. We are seeing large flows of war refugees to neighbouring countries, including Lithuania, and a growing large-scale humanitarian crisis. We understand that this is a major challenge for human rights, for the international community, and for international law. It is also a war against the values upheld by the Western world.

The war in Ukraine and the imposition of international sanctions on Russia significantly increased the already high prices of energy and materials. Back in 2021 H1, central banks assured the markets that inflation was temporary, linking it to the pandemic and disrupted logistics chains. Economies were being continuously revived and many could not even imagine any upcoming greater threats. Everything started to change in the second half of the year. Markets began to wait for the first indications on rising interest rates from the US Federal Reserve bank back in September. The tone remained unchanged at the beginning, economy stimulation continued, and inflation was rising. The highest inflation threshold in 40 years was recorded in the US, and Europe was not lagging behind. The economy was sustaining its growth, although with a massive shortage of components and raw materials.

Most stock markets in 2021 were recording positive returns. The US S&P500 index increased by 26.9% over the year, Euro Stoxx 50 increased by 21%. Raw materials stood out the most in the markets with rapidly growing prices during the year, some of which have doubled or increased even more (e.g., gas). Even the change in sentiment by the end of the year did not destroy the results of the indices for the entire year.

2021 began with the de facto withdrawal of the United Kingdom from the European Union (the transition period has ended), massive Black Lives Matter movement in the United States, and tensions between the United States and China in the markets. The Chinese government has begun to interfere in the activities and management of its country's major companies. Several Chinese real estate development companies found themselves on the brink of insolvency, resulting in increasing fears that this might lead to an international financial crisis. Some international investment banks have identified the Chinese market as particularly risky for investments.

Lithuania is holding up well

The economic growth observed in 2021 shows that Lithuania has managed to properly prepare for the pandemic wave. Lithuanian exporters continued to increase their sales volumes in foreign markets. The production volume of most manufacturing companies was the highest in the last few years. Successful development in foreign markets, the good financial position of companies, as well as other factors have encouraged the recovery of private sector investments.

In 2021, Lithuania's GDP amounted to 55.4 billion euros. Compared to last year, it increased by 5.1%. Last year, retail trade and service (2.6%), manufacturing (2.6%), and industry (2.1%) sectors grew the most. Largest growth was recorded in the manufacture of chemical products (45.6%), cars and trailers (39.9%), other vehicles and equipment (34.9%), metals (28.9%), computers, electronics and optical products (28.2%).

In December 2021, annual inflation was 10.6% – the highest in five years. Inflation was affected by a 24.6% rise in the prices of housing-related products and services such as water, electricity, gas and other fuels.

The prices of transport products and services went up by 17.8% last year, and the prices of food and non-alcoholic beverage products - by 10.4%. For comparison, the average annual inflation in the EU in 2021 was 2.9% and 4.6% according to the harmonised index of consumer prices in Lithuania.

Last year, real estate prices in Lithuania have reached an all-time high. In the third quarter of 2021, they have jumped by 18.9%, compared to the same period last year.

The situation in the labour market has improved due to economic growth. In Lithuania, the average gross monthly salary has increased by more than 10% last year, amounting to 1,568 euros. The average net salary was 995.3 euros. In 2021, considering the inflation, actual salaries have increased by 4.1%. People working in the information and communication industry (around €

1,721), with financial and insurance operations (around € 1,612), and those engaging in professional, scientific and technical activities (around € 1,612) received the highest net earnings. The average net salary was € 804.

Last year, Lithuania exported goods worth EUR 34.5 billion and imported goods worth EUR 37.5 billion. Compared to the previous year, in 2021 export has increased by 20.3% and import has increased by 28.5%. In January-November of last year, the main export directions of Lithuania were Russia, Latvia, Germany and Poland. The chemical and related sectors accounted for 14.9% of Lithuania's total exports, followed by machinery and electrical equipment (13.5%), and mineral products (10%). Similarly, the largest imports to Lithuania was those of machinery and mechanical equipment (17.8%), mineral products (17.3%), and chemical and related products (12.2%).

Last year, accumulated direct foreign investments in Lithuania increased by 4.1%, amounting to 24.8 billion euros in September 2021. Most of the investments came from Sweden, Estonia, the Netherlands, Hong Kong, Poland and Cyprus, followed by Germany.

Lithuania's accumulated direct foreign investment rose by 4.4% last year, reaching 9 billion euros in September 2021. Most of the investments were made in the United States, Latvia, Estonia, Cyprus and the Netherlands.

Situation in the capital markets

The markets welcomed 2022 with only two relevant subjects – inflation and tensions between Russia and Ukraine, which later escalated into war. Sanctions imposed on Russia will have a significant impact on the European stock market, since companies in most countries had some kind of interests in Russia. The rising prices of raw materials will also affect the results, since Europe will have to find a way to distance itself from Russian gas and fuel. U.S. markets are not expected to be significantly affected, however high inflation and its management measures will be closely monitored. Historically, interest rates have been about 1-2% higher than inflation for the past 70 years, but now we have a situation where inflation in the U.S. reaches 7.5% and interest rates are close to zero. Some of the major investment banks expect interest rates to rise to 2%, which will have a significant impact on high growth stocks. As at the end of 2021, markets should prioritize value and quality stocks.

Forecast for 2022

Economic activity is expected to slow down this year, and GDP to grow by 3%. Although household incomes will continue to rapidly grow, partly due to faster salary growth resulting from ongoing labour shortages, however increased inflation is expected to have a negative impact on personal spending. Investments are likely to be strongly affected by slower growth in local and international demand, as well as persistent concerns about the continuing epidemic, however they should benefit from increased EU fund inflows. In addition to the projected slowdown in the economic growth of major trading partners, the geopolitical shock caused by Russia's invasion of Ukraine in 2022 is likely to have a negative impact on export.

At the end of 2021, inflation in Lithuania has accelerated mainly due to increased energy prices. Despite the efforts of the Government of Lithuania to spread out the increase of administered energy prices over the next few years, HICP inflation is expected to increase to 7% in 2022 due to the carry-over effect and the continuing significant growth in energy prices. At the same time, service prices are likely to rapidly rise at a pace which has not been observed for over a decade, due to rising salaries and recovering domestic demand. Other consumption expenses are expected to increase mainly due to global factors, such as shortages of intermediate and final consumer goods. Inflation is expected to drop to 2-3% in 2023 with energy prices returning to normal levels and decreasing shortages of goods.

The diversification factor is now more relevant than ever for investors. It is important that you feel safe regarding the allocation of your assets. We have seen how most asset classes have become more expensive over the past several years, thus investors often got the impression that investing is easy and simple. However, given the market correction at the beginning of the year, it is recommended to have a balanced (in growth and value) equity portfolio.

The most important thing is not to panic and not make any hasty decisions. Sharp market fluctuations and geopolitical events can lead to poor investment decisions. It is recommended to talk to your investment advisor to help you formulate your investment strategies and risk management. I wish all of our clients and investors inner peace and the right investment decisions.

25 March 2022

Director Alius Jakubėlis

MAJOR EVENTS IN 2021

- In 2021, FMĮ Orion Securities has established Orion Ventures, an employee fund that invested in four early stage start-ups. This fund was created not only to expand the activities of Orion into the growing start-up community in Lithuania, and thus contribute to Lithuania's economic growth, but also to use the fund's earnings to create a unique motivation system for the team.
- We have been actively expanding our range of products and services. We have started cooperating with several new asset management companies: Capitalica Asset Management and Modus Asset Management. We have been distributing the funds of these management companies to Orion clients. We have started providing consulting portfolio management services to our clients. We have signed the first contracts for these services. We have overcome all the challenges and problems of the pandemic.
- A new depository division has been established where services are already provided by a professional team. Service contracts were signed with two management companies for the provision of depository services to eight investment funds.

ABOUT THE COMPANY

In 2021, the Company's client-managed funds and securities amounted to 5.534,3 million euros.

UAB FMĮ Orion Securities is the largest non-banking financial brokerage company in Lithuania, engaged in securities brokerage, as well as corporate finance, private banking, and finance management services for private and legal persons. We have been operating in the Lithuanian market since 1993. Orion Securities is a member of Vilnius, Riga, Tallinn and Warsaw stock exchanges, and a licensed brokerage firm which is supervised by the Bank of Lithuania.

The Company was established on 12 August 1993 in Vilnius and named Baltijos Vertybiniai Popieriai. On 3 November 1997, the Company was re-incorporated in the Ministry of Economy of the Republic of Lithuania. Company code: 122033915.

On 12 January 2007, the private limited liability financial brokerage company Baltijos Vertybiniai Popieriai officially changed its name to UAB FMĮ Orion Securities (hereinafter - Company) and registered its new legal address at A.Tumėno str. 4, Vilnius, with the Register of Legal Entities, Vilnius Branch.

UAB FMĮ Orion Securities is a private limited liability company, holding a category A financial brokerage firm license (A 106) issued by the Securities Commission of the Republic of Lithuania, entitling the Company to engage in the following activities:

- Accept and transfer orders;
- Execute orders at the expense of clients;
- Execute transactions at its own expense;
- Manage portfolios of financial instruments (FI);
- Provide recommendations on investment;
- Offer financial instruments with the obligation to distribute them;
- Offer financial instruments without the obligation to distribute them.
- Provide investment services, engage in investment activities and provide additional services relating to financial instruments, assets or other objects to which the derivative financial instruments, specified in clauses 5, 6, 7 and 10 of Article 3(15) of the Law on Markets in Financial Instruments of the Republic of Lithuania, are linked, provided that the supplied investment services or additional services or executed investment activities are related to these derivative financial instruments;
- Provide foreign currency exchange services when they are related to the provision of investment services;
- Safeguard financial instruments, account for and manage them at the expense of clients, including custody of property and other related services such as management of money or financial collateral, and excluding management of

securities accounts at the highest level in accordance with Chapter VI of the Law on Markets in Financial Instruments of the Republic of Lithuania;

- Conduct investment research, perform financial analysis, or provide other general recommendations related to transactions regarding financial instruments;
- Provide consultations on capital structure, business strategy and other related matters, as well as provide advice and services relating to the reorganisation and acquisition of companies;
- Provide investors with credit or loans which the investors could use to conclude transactions in one or several financial instruments, and the company providing the credit or loan can be involved in the transaction conclusion process;
- Provide services related to the distribution of financial instruments.

Background:

On 31 December 2021, the Company had 31 employees (25 employees in 2020).

The Company's net profit amounted to 1,320,093 euros in 2021, compared to 1,054,977 euros in 2020 (increasing by 25%). The Company's assets amounted to 4,020,479 euros in 2021, compared to 3,689,483 euros in 2020 (increasing by 9%).

Alius Jakubėlis is the Director of the Company.

The Company's Board consists of 4 persons. Chairman of the Board Alius Jakubėlis, members – Justinas Jarusevičius, Mindaugas Strėlis and Tadas Volbikas.

Information about the management positions held by the Director and members of the Board in other companies and organisations:

Alius Jakubėlis		
1	UAB FMĮ Orion Securities, company code 122033915, address A. Tumėno 4, Vilnius (main workplace)	Chairman of the Board, Director
2	Gošė Asociacija, company code 302620864, address Smilgų str. 8, Avižieniai, Vilnius district.	Member of the Board
3	Lithuanian Financial Brokers Association, company code 122253313, address Konstitucijos Ave. 23, Vilnius	President
4	UAB Suprema LT, company code 304135030, address S. Fino str. 6-3, Vilnius	Director
5	Vilnius University Fund (Endowment), company code 304222713, address Universiteto str. 3, Vilnius	Chairman of Investment Board
6	UAB Woodest, company code 305690978, address Eduardo André str. 14-5, Vilnius	Director
7	UAB Orion Wealth, company code 305673384, address A. Tumėno 4, Vilnius	Member of the Board

Mindaugas Strėlis		
1	UAB FMĮ Orion Securities, company code 122033915, address A. Tumėno 4, Vilnius (main workplace)	Member of the Board
2	UAB Orion Wealth, company code 305673384, address A. Tumėno 4, Vilnius (main workplace)	Director, Member of the Board
3	UAB Utopia Capital, company code 304918681, address Konstitucijos Ave. 21A, Vilnius	Director

Tadas Volbikas		
1	UADBB Legator, company code 145347184, address V. Bielskio str. 30A, Šiauliai (main workplace)	CEO
2	UAB FMĮ Orion Securities, company code 122033915, address A. Tumėno 4, Vilnius	Member of the Board
3	UADBB Legator, company code 145347184, address V. Bielskio str. 30A, Šiauliai	Member of the Board
4	Aštuoni Stebuklai, company code 3045336557, address Blindžių 9A-9, Vilnius	CEO
5	Gedimino 22 Turtas, company code 304104704, address Gedimino 22, Vilnius	CEO
6	UAB L Investment, company code 305738056, address Blindžių 9A-9, Vilnius	Director
7	UAB K2 Turtas, company code 305923165, address Panerių 38A, Vilnius	CEO

Justinas Jarusevičius		
1	UAB FMĮ Orion Securities, company code 122033915, address A. Tumėno 4, Vilnius	Member of the Board
2	SE Lithuanian Inland Waterways Authority, company code 132090925, address Raudondvario rd. 113, Kaunas	Member of the Board
3	SB Vanaginė, company code 300562444, address M.Martinaičio 39, Vilnius	Member of the Board

During the current or previous reporting periods, the Company has not acquired or transferred own shares. The Company is not engaged in research and development activities. All additional information and subsequent events are disclosed in the notes to the financial statements.

Provided services

The Company focuses on three key services:

- Brokerage in capital markets;
- Corporate finance;
- Private and investment banking;
- Wealth management;
- The follow two service groups are supporting activities:
  - Market making;
  - Financial instrument accounting and custody
  - Depository services.

BROKERAGE IN CAPITAL MARKETS

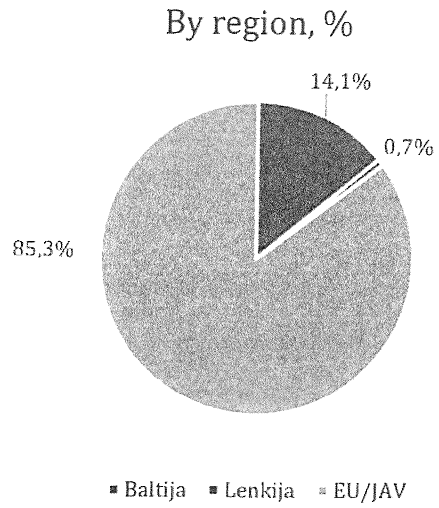
Compared to the previous year, investors were less active in 2021, however there were several new companies on the Baltic stock exchange (DelfinGroup, Elmo Rent, Enefit Green). As in the previous year, investors were mostly active in US capital markets. The Capital Markets Division, along with other corporate divisions, is working toward improving the trading systems.

Orion Securities provides the possibility to trade in all the major global stock markets by making real time purchases.

We offer our clients the following services:

- Brokerage in purchasing and selling FI (on behalf of and at the expense of clients);
- Brokerage in purchasing and selling FI (on behalf of and at the expense of the company);
- On-line trading system.

Brokerage in capital markets, turnover according to region



Baltic r. Poland EU/USA

PRIVATE AND INVESTMENT BANKING

The Investment Banking Division focuses on the active management of investment portfolios and aims to offer creative solutions for complex problems, help manage assets today as well as find new ways to increase assets in the future. The division also works with corporate clients helping them to resolve capital attraction, share sale and acquisition issues.

We offer our clients the following services:

- Active management of investment portfolios;
- Consultations on investment related matters;
- Distribution of various investment funds and bonds.

Alternative investment products were distributed in 2021: debt funds, real estate funds and corporate bonds. The division focused on expanding its business client base by offering them business sale or purchase brokerage services, and by offering to attract additional capital for business development. In 2021, the number of employees of the division and its generated income have increased.

CORPORATE FINANCE

The team of the Corporate Finance Division advises companies which enter into purchase and sale, restructuring, business valuation, and alternative borrowing transactions, as well as provides consultations on corporate financial management.

The Corporate Finance Division offers the following services:

- Consulting on mergers and acquisitions;
- Consulting on sale of business;
- Valuation of companies or their divisions;
- Share and bond offerings;
- Concentration of shareholdings;
- Initial public offering;
- Other financial and consulting services.

In 2021, the Corporate Finance Division carried out more than 30 capital raising, company merging, sale and consulting projects, successfully implementing projects worth over 30 million euros.

OTHER SERVICES

FINANCIAL INSTRUMENT ACCOUNTING AND CUSTODY

The Company has been providing services of share and bond accounting, representation in the depository, dividend payment, registration of transactions outside the stock exchange, and other services to private and public limited liability companies. In 2021, share accounting services were provided to over 400 Lithuanian enterprises.

The Accounting Division offers the following services to companies:

- Accounting of the shares and bonds of private and public limited liability companies
- Registration of the issue of securities at the depository, and client representation during material events and in other cases
- Provision of lists of shareholders to companies
- Mediation when dividends are paid out to shareholders of the company, and submission of notifications regarding the latter
- Registration of unlisted over-the-counter transactions of private and public limited liability companies
- Provision of consultations to companies regarding general meetings of shareholders and other related matters
- NAV calculation and accounting services for investment funds

DEPOSITORY SERVICES

Orion Securities has a long-standing relationship with management companies and businesses, providing them with consulting, alternative financing, distribution and other services. Given the growing fund market and the changing regulatory environment, we have decided to begin offering depository services. We have assembled a team of depository-savvy professionals with extensive experience in the field of alternative, harmonized and pension funds for informed investors. We began providing these services on 1 October 2021, and today we are happy to say that we are already a depository of 8 collective investment undertakings (funds, investment companies) registered in Lithuania. Only several commercial banks have previously provided these services in the Lithuanian market.

Together with the Orion depository team, we help management companies learn about the benefits of a depository partnership. The common goal of all fund managers is to earn the highest possible return for investors. Whereas our duty is to ensure the security of fund participant investments without interfering with the investment strategy of the managers. The experience of our team in providing depository services ensures the reliability of our independence, enabling us to act in the interests of investors.

- 2 management companies;
- 8 funds;
- € 190 million net asset value of supervised funds.

MARKET MAKING

In 2021, the Company participated in the Baltic and Warsaw Stocks Market Making Programme. The service was provided to 7 issuers: AUGA group AB, City Service SE, Grigeo AB, Inter RAO Lietuva AB, Novaturas AB, OMX Baltic Benchmark Fund, and Vilkyškių Pieninė AB. After Olainfarm AS has left the stock exchange in October, revenue decreased by 4.5% in the second half of 2021. In 2021, the share trade turnover generated by Orion Securities as a market maker amounted to EUR 3.05 million, and the average generated monthly turnover reached EUR 254 thousand. The market maker made over 7.5 thousand orders (30 orders per day) and concluded 7.34 thousand contracts (29.4 contracts per day). The average share of turnover of formed positions reached 20%. The contribution of Orion Securities as a market maker to the liquidity of stock trading was much larger than of other Nasdaq Baltic market makers.

RISK MANAGEMENT

Internal control

Efficiency of internal control is one of the main conditions to ensure not only effective internal processes of a company and their safety, but is also essential for the provision of quality services to clients. Focus on internal control is emphasised in order to successfully implement the European Union MiFID 2 directives and local legislation. Since national legal acts are also under constant improvement, the Company's employees work in cooperation with law firms and supervising authorities on a daily basis.

Three following types of internal control are applied to the efficient control process: preliminary, instant, and corrective. The Company's Compliance Officer periodically submits inspection reports to the chairman of the Board and the head of the Company, which reflect observed shortcomings and recommend divisional control improvement methods.

The Company has a strong focus on risk assessment and effective management of it in respect of each product and service group. Particular attention is paid to the dual control system in order to ensure early elimination of harmful activities and human errors.

Activities of the financial brokerage company involve a high amount of information. Advanced prevention of conflicts of interest and information security are the Company's priorities. Organisational structure and internal procedures ensure compliance with the above-mentioned priorities.

In order to improve its performance and efficiency, the Company regularly reviews its policies, procedures and contracts.

Anti-money laundering and terrorist financing

In recent years, both in the Baltic States and throughout Europe, special attention was paid to the implementation of anti-money laundering and terrorist financing prevention measures. The company is responding to the changing market practices and pays particular attention to continuously improving its internal processes and systems. The Company collects and stores information related to the monitoring of business relations of clients for the prevention of money laundering and terrorist financing, and implementation of regulatory requirements.

The Company's anti-money laundering and terrorist financing procedures are currently being updated according to the comments provided by the Bank of Lithuania, and additional information and documents on clients and transactions are being collected, since, according to the Bank of Lithuania, the previously collected information was insufficient. Deficiencies will be eliminated by the deadline specified by the Bank of Lithuania – April 30.

Risk management

Risk management is an essential part of a successful company's system. Risk management processes are continuously improved in the Company; new solutions are introduced in advance to meet the demand of the financial market and financial derivatives. The Company has a risk management committee responsible for risk control and assessment at the Company.

Financial system risk factors that affect the Company's performance:

- Economic risk
  In 2021, the pandemic situation in the world began to improve and there was a noticeable economic recovery. Capital markets were growing and investors were positive about the future. Nevertheless, the geopolitical unrest of 2022 has caused panic in the financial markets, and the direction of these markets remains unclear. Continuous monitoring of markets and response to events is one of the components of the risk management system. Forecasting of economic events and preparation for potential shock is an important and inseparable part of the Company's operations.
- Systemic risk
  Over the past few years, the Lithuanian financial market has experienced a lot of shocks that were significantly affected by systemic risks. The risk that upon similar systemic risk factors domestic financial system institutions may experience similar shocks will remain in the future.

- Operational risk

  The Company constantly reviews its internal processes and implements system upgrades. Regular staff training and constant process optimisation is arranged. This allows minimising the risks that may occur due to human and systemic errors. Operational risk is also related to geopolitical risk, which may affect the company's operations. The Company has prepared a business continuity plan, the proper implementation of which will allow it to operate in difficult situations.

- Reputation risk

  The importance of reputation for a financial institution is especially high. The Company regularly carries out training for its employees. All employees are motivated not only for quantitative, but also for qualitative results. This allows managing and maintaining a high level of service quality.

- Concentration risk

  The Company aims to offer a vast variety of financial services, thus diversifying income flows and reducing the concentration risk.

- Counterparty credit risk

  The Company provides its clients with a possibility to trade in financial derivatives, thus it is of high importance to have adequate and functioning systems in place, which enable as big reduction of the Company's credit risk as possible. The Company pays considerable attention to the reduction of the counterparty credit risk. Proper selection of a counterparty ensures security and high quality services. The counterparty credit risk is one of the key risks of the Company.

The Company does not use hedging instruments that are subject to hedge accounting.

Events after the end of the financial year

It should be noted that at the time this report was drawn up, the consequences of the Russian invasion of Ukraine for the global and Lithuanian economy were not yet clear. Geopolitical instability following the invasion may adversely affect the macroeconomic situation in Europe and Lithuania, as well as lead to slower export and consumption volumes, and rising energy and raw material prices due to the reorganization of energy resource supply. More detailed information on the possible impact on the Company's operations is disclosed in Note 24 to the financial statements.

25 March 2022

Director Alius Jakubėlis

STATEMENT OF COMPREHENSIVE INCOME

	Notes	2021	2020
Income from services and commission fees		4.518.995	3.675.651
Costs of services and commission fees		(794.140)	(476.265)
Net income from services and commission fees	1	**3.724.855**	**3.199.386**
Interest income		100.901	91.412
Interest expense		(101.543)	(38.283)
Net interest income	2	**(642)**	**53.129**
Net profit (loss) of trade in securities and derivatives and transactions in foreign currency	3	119.273	74.595
Change in impairments and other provisions	4	303	(2.935)
Personnel expenses	5	(1.283.802)	(1.207.911)
Depreciation and amortisation	6	(36.529)	(30.874)
Administrative expenses	7	(1.048.100)	(875.059)
Other income (expenses)		-	(301)
Profit (loss) before taxation		**1.475.358**	**1.210.030**
Income tax benefit (expenses)	9	(155.265)	(155.053)
Net profit (loss)		**1.320.093**	**1.054.977**
Other comprehensive income, net of taxes		-	-
Total annual comprehensive income, net of taxes		**1.320.093**	**1.054.977**

Accounting principles and notes provided in pages 21 - 47 are an integral part of these financial statements.

These financial statements were signed on: 25 March 2022

Director
Alius Jakubėlis

Dainius Minelga
Authorised accountant

STATEMENT OF FINANCIAL POSITION

	Notes	31 December 2021	31 December 2020
ASSETS			
Non-current assets			
Non-current intangible assets	15	3.508	1.077
Non-current tangible assets	15	256.380	131.764
Deferred corporate income tax assets	9	7.495	7.639
Other non-current financial assets	14	56 939	72 365
Total non-current assets		**324.322**	**212.845**
Current assets			
Loans	14	544.754	325.478
Derivative financial instruments	13	-	-
Securities measured at fair value through profit (loss)	12	1.280.306	743.378
Trade receivables and prepayments	11	905.469	699.732
Other current assets	10	98.417	74.979
Cash and cash equivalents	8	867.211	1.633.071
Total current assets		**3.696.157**	**3.476.638**
TOTAL ASSETS		**4.020.479**	**3.689.483**
LIABILITIES AND EQUITY			
Share capital	20	1.592.654	1.592.654
Legal reserve	20	159.292	159.292
Retained earnings		1.326.557	1.056.464
Total equity		**3.078.503**	**2.808.410**
Non-current liabilities			
Lease liabilities	16	139.106	70.414
Total non-current liabilities		**139.106**	**70.414**
Current liabilities			
Loans received and lease liabilities	16	320.034	27.576
Derivative financial instruments	13,17	-	71.882
Other financial liabilities	17	32.696	285.653
Trade debts		79.455	107.658
Payroll liabilities	18	180.038	162.789
Income tax payable		95.418	121.767
Other current liabilities	19	95.229	33.334
Total current liabilities		**802.870**	**810.659**
TOTAL EQUITY AND LIABILITIES		**4.020.479**	**3.689.483**

Accounting principles and notes provided in pages 21 – 47 are an integral part of these financial statements.

These financial statements were signed on: 25 March 2022.

Director
Alius Jakubėlis

Dainius Mirelga
Authorised accountant

STATEMENT OF CHANGES IN EQUITY

	Share capital	Legal reserve	Retained earnings	Total
31 December 2019	**1.592.654**	**159.292**	**616.487**	**2.368.433**
Net profit	-	-	1.054.977	1.054.977
Other comprehensive income	-	-	-	-
Total comprehensive income	**-**	**-**	**1.054.977**	**1.054.977**
Dividends declared	-	-	(615.000)	(615.000)
31 December 2020	**1.592.654**	**159.292**	**1.056.464**	**2.808.410**
Net profit	-	-	1.320.093	1.320.093
Other comprehensive income	-	-	-	-
Total comprehensive income	**-**	**-**	**1.320.093**	**1.320.093**
Dividends declared	-	-	(1.050.000)	(1.050.000)
31 December 2021	**1.592.654**	**159.292**	**1.326.557**	**3.078.503**

Accounting principles and notes provided in pages 21 – 47 are an integral part of these financial statements.

These financial statements were signed on: 25 March 2022.

Director
Alius Jakubėlis

Dainius Minelga
Authorised accountant

CASH FLOW STATEMENT

	Notes	2021	2020
Cash flows from operating activities			
Net profit		1.320.093	1.054.977
Recovery of non-monetary expenses (income):			
Depreciation and amortisation	15	50.490	38.993
Interest expense	2	101.543	38.283
Interest (income)	2	(100.901)	(91.412)
Change in impairment of amounts receivable	11	(680)	47.344
(Profit) from sale of non-current tangible and intangible assets		-	-
Change in deferred income tax	9	144	4.831
Other non-cash expenses (income)		106.141	148.614
		1.476.830	**1.241.630**
Changes in working capital:			
Decrease (increase) of trade receivables and pre-payments	11	(205.057)	(385.814)
(Decrease) increase of trade debts		(28.203)	22.747
Increase (decrease) in employment-related liabilities		17.249	44.034
Increase (decrease) in other assets		(25.116)	186.512
(Decrease) of other amounts payable	19;17	61.895	187.179
Increase in income tax liability		(26.349)	15.018
Paid income tax		(106.289)	(77.564)
Net cash flows from operating activities		**(311.870)**	**(7.888)**
Cash flows from investing activities			
(Acquisition) of non-current intangible, tangible assets and investments	15	(281.343)	(34.210)
Transfer of non-current intangible, tangible assets and investments	15	172.498	4.126
(Granting) of loans		(1.602.776)	(1.792.163)
Recovery of loans		1.400.604	2.012.242
Change in derivative financial instruments		(71.882)	(19.103)
(Acquisition) of trade securities		(25.173.051)	(24.770.995)
Transfer of trade securities		24.636.123	24.930.918
Dividends received	3	148	1.608
Interest received	2	100.901	106.709
Net cash flows from investing activities		**(818.778)**	**439.132**
Cash flows from financing activities			
Loans received		2.838.229	3.201.371
Loans (repaid)		(2.779.405)	(3.364.341)
Interest (paid)	2	(101.543)	(38.283)
Dividends (paid)		(1.050.000)	(615.000)
Lease (finance lease) payments		(19.323)	(14.663)
Net cash flows from financing activities		**(1.112.042)**	**(830.916)**
Net increase (decrease) of cash flows		**(765.860)**	**841.958**
Cash and cash equivalents at the beginning of the period		1.633.071	791.113
Cash and cash equivalents at the end of the period		867.211	1.633.071

Accounting principles and notes provided in pages 21 – 47 are an integral part of these financial statements.

These financial statements were signed on: 25 March 2022.

Director
Alius Jakubėlis

Dainius Mihelga
Authorised accountant

GENERAL INFORMATION

UAB FMĮ Orion Securities (hereinafter - the Company) is a private limited liability company registered in the Republic of Lithuania. Its registered office address is:

Antano Tumėno str. 4,
Vilnius, Lithuania.

The Company provides financial brokerage services, including the following four main groups of services: security contract brokerage, corporate finance, market making and asset management services. The Company began operating on 12 August 1993.

On 31 December 2021 and 2020, the Company's shareholders were as follows:

	31 December 2021		31 December 2020	
	Number of shares held	Percentage	Number of shares held	Percentage
Orion Managing Partners B.V (Registered office address: Minderbroederssingel 11 6041 KG, Roermond, The Netherlands Legal entity code: 856097378)	55.008	70.01 %	55.008	70.01 %
UAB Suprema LT (Registered office address: S. Fino str. 6-3, Vilnius, Lithuania Legal entity code: 304135030)	15.714	20.00 %	15.714	20.00 %
Mindaugas Strėlis	7.850	9.99 %	7.850	9.99 %
Total	78 572	100.00 %	78 572	100.00 %

All shares whose nominal value per each is 20.27 euros are ordinary and were fully paid as of 31 December 2021 and 2020. Authorised share capital remained unchanged in 2021 and 2020. The Company did not acquire its own shares.

In 2021, the Company had an average of 27 employees in Lithuania (in 2020 - 25 employees).

The management of the Company approved these financial statements on 25 March 2022; the shareholders may approve or not approve these annual financial statements and may ask the management to prepare new financial statements.

UAB FMĮ Orion Securities operates under category A financial brokerage firm license No. A106, issued on 6 September 2007 by Resolution No. 2K-268 of the Securities Commission of the Republic of Lithuania.

Category A license grants the Company the right to provide the following investment services:

- Accept and transfer orders;
- Execute orders at the expense of clients;
- Execute transactions at its own expense;
- Manage portfolios of financial instruments;
- Provide recommendations on investment;
- Offer financial instruments with the obligation to distribute them;
- Offer financial instruments without the obligation to distribute them.

The Company is providing the following additional services:

- Distributes units of investment funds;
- Secures, accounts for and manages financial instruments;
- Grants loans intended to allow the client to carry out transactions with financial instruments, if the grantor is associated with these transactions;
- Carries out an analysis and evaluation of companies.

ACCOUNTING PRINCIPLES

The main accounting principles based on which these financial statements were prepared are set out below.

Basis of preparation of financial statements

The financial statements of the Company are prepared in accordance with International Financial Reporting Standards that have been adopted for use in the European Union (hereinafter - IFRS). The financial statements are prepared on a historical cost basis, except for securities and derivative financial instruments measured at fair value through profit (loss).

Functional and presentation currency

Amounts provided in these financial statements are presented in local currency - euro (EUR), which is also the functional currency of the Company.

Application of new and revised International Financial Reporting Standards

Effective standards (as of 1 January 2021) and their interpretations

The following are the effective standards issued by the International Accounting Standards Board (IASB) and adopted by the EU, as well as their supplements and interpretations:

- Amendments to IFRS 4 Insurance Contracts – Deferral of IFRS 9 (effective for annual periods beginning on 1 January 2021);
- IFRS 16 Covid-19-Related Rent Concessions (effective for annual periods beginning on 1 June 2020);
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - Interest Rate Benchmark Reform – Phase II (effective for annual periods beginning on 1 January 2021).

Application of the standards, their amendments and interpretations listed above had no material impact on the Company's financial statements.

Standards issued by IASB, approved in the EU, but not yet effective

At the date of signing these financial statements, the Company did not prematurely apply the following new and revised IFRS standards, their amendments and interpretations that have been approved but not yet effective:

- Amendments to IFRS 3 Business Combinations, IAS 16 Property, Plant and Equipment, IAS 37 Provisions, Contingent Liabilities and Contingent Assets, and annual improvements thereof for 2018–2020 (effective for annual periods beginning on 1 January 2022).
- IFRS 16 Covid-19-Related Rent Concessions after 30 June 2021 (effective for annual periods beginning on 1 April 2021);
- IFRS 17 Insurance Contracts; including amendments to IFRS 17 (effective for annual periods beginning on 1 January 2023);
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies (effective for annual periods beginning on 1 January 2023);
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (effective for annual periods beginning on 1 January 2023).

The Company believes that the application of these standards, effective standard amendments and interpretations will not have a material impact on the Company's financial statements during their initial application period.

Standards and interpretations issued by IASB, but not yet approved in EU

There are almost no differences between IFRS that are currently adopted in the EU and the standards that were approved by the IASB, excluding the standards, amendments to the effective standards and their interpretations which were not yet approved in the EU (effective dates apply to IFRS in full scope): These standards, their amendments and interpretations are set out below:

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current and Classification of Liabilities as Current or Non-Current – Deferral (effective for annual periods beginning on 1 January 2023);
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective for annual periods beginning on 1 January 2023 or later);
- Amendments to IFRS 17 Insurance Contracts: Initial Application of IFRS 17 and IFRS Comparative Information (effective for annual periods beginning on 1 January 2023);

The Company believes that the application of these standards, effective standard amendments and interpretations will not have a material impact on the Company's financial statements during their initial application period.

Financial assets

Financial assets are cash and cash equivalents, contractual rights to receive cash or other financial assets, contractual rights to exchange financial instruments with another party on potentially favourable terms, and the equity instruments and contracts of other companies under which the Company's own equity instruments will or may be used as payment.

Financial assets are divided into:
- Measured at amortised cost;
- Measured at fair value, the change of which is recognised as other comprehensive income;
- Measured at fair value, the change of which is recognised as profit or loss.

All ordinary purchases and sales of financial assets are recognised on date of payment, which is the date when the Company undertakes to buy or sell assets.

Financial assets are measured at amortised cost when the following criteria are met:

- Financial assets are held under a business model, the purpose of which is to hold financial assets in order to collect the cash flows established in the contract;
- Cash flows of financial assets may arise on the dates established in the conditions of the contract, which are simply the payments of interest of the main amount and main uncovered amount.

<u>Financial assets measured at amortised cost</u>

<u>Loans and receivables</u>

Loans and amounts receivable are non-derivative financial assets with fixed payments or payments calculated using an established method, which are not sold in the active market. After initial recognition, loans and amounts receivable are later accounted for at amortised value by using the effective interest rate method, less any impairment losses. Amortised value is calculated by including all acquisition discounts or supplements, and covers fees that are inseparable from the effective interest rate and transaction price. Profit or loss is recognised in the statement of comprehensive income when such assets are written off, the value of such assets decreases or the assets are amortised.

Loans and short-term receivables are accounted for after measuring their impairment.

Loans and amounts receivable are recognised in the statement of financial position on the day they are paid out, when money is transferred to the borrowers. From the day of signing of the loan contract until the day of loan repayment, they are accounted for under off-balance items.

<u>Repurchase (repo) and reverse repurchase (reverse repo) agreements</u>

Securities sold under agreements to repurchase at a specified future date are not derecognised from the statement of financial position, since the Company retains all the risks and rewards of ownership. The corresponding cash received is recognised in the statement of financial position as an asset with a corresponding obligation to return it, including accrued interest as a liability, reflecting the transaction's economic substance as a loan to the Company.

The securities purchased under agreements to resell at a specified future date are not recognised in the statement of financial position. Reverse repurchase agreements are classified as loans received and amounts payable, received from banks and other clients, and are accounted for using the amortised cost method. The difference between sale and repurchase price is accounted for as interest, and accrued over the life of the contract using the effective interest rate method.

Financial assets measured at fair value, the change of which is recognised as other comprehensive income.

Financial assets are measured at fair value, the change of which is recognised as other comprehensive income, when both of the following criteria are met:

- Financial assets are held under a business model, the purpose of which is to collect the cash flows established in the contract, and sell the financial assets;
- Cash flows of financial assets may arise on the dates established in the conditions of the contract, which are simply the payments of interest of the main amount and main uncovered amount.

The Company did not have such financial assets on 31 December 2021 and 2020.

Financial assets measured at fair value, the change of which is recognised as profit or loss

Financial assets measured at fair value, the change of which is recognised as profit or loss, include financial assets which are not classified as financial assets measured at amortised cost and financial assets measured at fair value, the change of which is recognised as other comprehensive income, under the financial asset groups specified in the paragraphs. During initial recognition, financial assets may be irrevocably attributed to financial assets measured at fair value, the change of which is recognised as profit or loss, if such designation eliminates or reduces contradictions in the measurement and recognition of financial instruments (accounting discrepancies). These financial assets cannot be transferred to another financial asset group later on.
Changes in fair value are accounted for as net profit (loss) from securities transactions. Most of the Company's financial assets are assigned to this category.

Financial asset category is determined during the acquisition of these assets.

<u>Derivative financial instruments</u>

Derivative financial instruments including forward contracts, contracts for differences - CFD (issued or acquired by the Company) and other derivative financial instruments are initially recognised in the statement of financial position at their fair value. Fair values are determined according to the model whose variables include market data. Derivative financial instruments are recognised as assets when fair value is positive, and as liabilities when fair value is negative.

Contracts for differences is an agreement between two parties, i.e. the buyer and the seller, whereby one party pays the difference between the current market price and the initial price of the underlying instrument, valid on the date of the transaction. If the price of a specific CFD increases, the price difference is paid by the seller, if it drops - by the buyer. CFD is a derivative financial instrument with the price based on the stock market price.

The Company, entered into CFD transaction with a client, is insured by making the same transaction with a third party or by buying the same amount of securities which are the basis of the CFD transaction with the client.

Certain derivative transactions (CFD), even though providing an effective hedging of economic risk according to the risk management policy of the Company, are accounted for as derivative financial instruments held for trade purposes, by accounting for the changes in their fair value as net profit (loss) from transactions in derivative financial instruments of the reporting period.

Accounting of CFD transactions entered into with a third party. If the price of a certain CFD instrument is lower compared to the initial price registered on the date the transaction was made, the price difference on the transaction closing and payment date is recorded under liabilities items as a financial liability to a client. Upon paying the client, this liability is offset. If the price of a certain CFD drops, the price difference on the transaction closing and settlement date is recorded under assets items as receivables from a client for CFD. Upon payment by the client, these receivables are offset.

Accounting of CFD concluded based on acquired securities. On CFD transaction opening date with a client, the Company buys the same amount of securities for its portfolio as a basis for the CFD transaction made with the client. All securities purchased for CFDs are recorded in a separate portfolio of financial assets thereof. Every time when preparing the financial statements, these assets are measured at fair value, by recording an increase under the liabilities items, and a decrease under the assets items. On the transaction closing and settlement date, these securities are sold. In this case, the CFD result includes results of revaluations and the amount of a profit or loss from sale. If the result is positive (price of securities increased), financial liability to a client is recorded. Upon paying the client, this liability is offset. If the result is negative (price of securities dropped), it is recorded as receivables from a client. Upon payment by the client, these receivables are annulled.

Changes in the fair value of derivatives held for trading are included in net profit (loss) from transactions in derivative financial instruments.

Certain derivatives embedded in other financial instruments, such as index linked options in bond issued, are treated as separate derivatives when their economic characteristics and risks are not closely related to those of the host contract and the host contract is not measured at fair value through profit or loss. These embedded derivatives are measured at fair value by accounting for fair value changes in the statement of comprehensive income of the reporting period.

Fair values of derivative financial instruments are disclosed in Note 13.

Impairment of financial assets

The Company shall recognise impairment from expected credit losses (ECL) for the following financial assets which are not measured at fair value through profit or loss: loans and advances to clients; debt securities; financial guarantee contracts.

Impairment losses are not recognised for equity securities.

The expected credit losses of financial assets are measured at an impairment amount equal to:

- 12 months of expected credit losses; these are expected credit losses resulting from failure to fulfil one's financial obligations, which are possible within 12 months after the date of the financial statements, or
- All expected credit losses; these are all expected credit losses resulting from all possible failures to fulfil one's obligations during the financial asset validity period.

Impairment of all expected credit losses for financial assets is measured if the credit risk for such financial assets has significantly increased after initial recognition. Expected credit losses for all other financial assets are measured by considering the 12 months of expected credit losses.

Expected credit losses is the probable weighted estimate of the current value of credit losses. They are measured as current value difference between cash flows arising from contractual flows received by the Company, and cash flows, which the Company expects to receive, arising due to a number of future economic events, discounted according to the effective interest rate of the financial assets.

Financial liabilities

Trade and other payables and debts are at first recognised at fair value of received funds less costs of the transaction. Later they are accounted for at amortised value (excluding derivative financial instruments, see above), and the difference between the received funds and the amount which will have to be paid within the term of the debt is included in the profit or loss of the period. Debts are classified as long-term, if evidence is provided in the financial statements until the date of statement of financial position that the liabilities of the date of statement of financial position are long-term.

Derecognition and offsetting of financial assets and liabilities

Financial assets

Financial assets (or, where necessary, financial asset part or part of the similar financial asset group) are derecognized when:

- The period of the right to financial asset cash flows expires; or

- The Company transferred its rights to financial asset cash flows or retained its right to cash flows, but assumed an obligation to pay the entire amount to a third party according to a transfer agreement within a short amount of time; and
- The Company either (a) transferred basically all the risk and benefit related to financial asset ownership, or (b) did not transfer, not retained the risk and benefit related to financial assets, but transferred the control of these assets.

When the Company transfers its rights to asset cash flows, but does not transfer the risk, benefit and asset control related to asset ownership, the assets are recognised to the extent the Company is related to them.

Financial liabilities

Financial liabilities are derecognized when they are covered, cancelled or their period of validity has expired.

When the current financial liability for the same creditor is replaced with another liability, with essentially other conditions, or the conditions of the current liability are essentially changed, such changes are recognised as the derecognition of current liabilities and the recognition of new liabilities, by recognising their difference as profit (loss) in the statement of comprehensive income.

Netting

Financial assets and liabilities can be netted-off against each other and presented at fair value in the statement of financial position if there is a legal possibility to net-off recognised amounts, and it is planned to pay in fair value or sell assets and cover obligations at the same time.

Cash and cash equivalents

When drawing up a cash flow statement, cash and cash equivalents include money and other valuables, bank balances, and other short-term highly liquid investments with original maturities of three months or less.

Recognition of income and expenses

The Company recognises income at an amount which matches the remuneration, the right to which the Company hopes to receive in exchange for the transferred goods or services.

Contracts with clients are accounted for by the Company only when all the following criteria are met:

- The contract was approved by the contractual parties (in writing, orally, or according to other usual business practices) which undertake to fulfil their respective obligations;
- The Company is able to identify the rights of each party regarding the goods or services to be transferred;
- The Company is able to identify the payment conditions applied to the goods or services to be transferred;
- The contract has a commercial basis (i.e. it is likely that the contract will change the periodicity or amount of future cash flows of entities, or the risk related thereto), and it is likely that the Company will receive remuneration, the right to which will be granted in exchange for goods or services that will be transferred to the client.

Income from contracts with clients is first of all comprised of fees relating to services. They are included in the Commission Income item of the statement of comprehensive income.

Interest income and expenses

Interest income and expenses for all interest-bearing financial instruments are recognised as 'interest income' and 'interest expenses' in the statement of comprehensive income using the effective interest rate method. The effective interest rate method is a method of calculating the amortised cost of financial assets and liabilities, and of allocating the interest income and interest expenses over the relevant period. The effective interest rate is the rate that discounts future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Company measures cash flows by considering all provisions of the financial instruments (for example, prepayment options), but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Service and commission income and expenses

Service and commission income and expenses are generally recognised on an accrual basis when the service has been provided.

Corporate finance services income, arising from negotiating or participating in the negotiation of a transaction for a third party, are recognised on completion of the underlying transaction. Commission fees or components of such fees that are linked to certain performance are recognised after fulfilling the established conditions.

Dividend income

Dividends are recognised in the statement of comprehensive income when the entity's right to receive payments is established.

Other expenses

Other expenses are recognised on the basis of accrual and revenue and expense matching principles during the reporting period when income related to these expenses is earned, irrespective of the time the money was spent. In cases when expenses incurred during the reporting period cannot be directly linked to the specific income and will not provide income during future accounting periods, these expenses are recognised as expenses for the period during which they were incurred. The amount of expenses is usually accounted for as the amount paid or due.

Lease

Upon signing the arrangement, the Company determines whether an arrangement is a lease or contains a lease. The Company recognises the right-to-use lease assets and respective lease liabilities based on all the lease arrangements where the Company is the Lessor, excluding short-term lease (lease with a term of 12 months or less) and low-value asset lease (e.g., lease of tablets and personal computers, small office furniture and phones). For this lease, the Company recognises lease payments as operating expenses by using the straight-line method over the lease term, excluding cases when another systematic method is more representative of the time period during which the economic benefits from the leased assets are consumed.

Lease liabilities are initially measured at the present amount of lease payments which has not yet been paid, and the aforesaid amount is subsequently discounted using the interest rate provided in the lease agreement. If no interest rate is specified in the lease agreement, the Company shall use its borrowing rate.

Lease liabilities are measured by increasing the carrying value to reflect the related interest rate (by using the effective interest rate method), and by decreasing the carrying value to reflect the lease payments made.

Right-to-use lease assets are comprised of initial assessment of the relevant lease obligation, and lease fees paid at the beginning of the day or earlier minus any lease discounts and any initial direct costs. They are later measured at cost less accumulated depreciation and impairment losses.

Right-to-use assets are depreciated over the lease term or useful life of the main assets, by considering which one is shorter. If, after the lease of assets, the right of ownership to the main assets is transferred or the costs of right-to-use lease assets reflect the fact that the Company expects to assess the asset acquisition option, the right-to-use assets concerned are depreciated over the service life of the main assets. Depreciation starts from the date of commencement of the lease of assets.

Non-current intangible assets

Intangible assets are accounted for at cost less accumulated amortisation and any accumulated impairment losses. Intangible assets are amortised using the straight-line method over their estimated useful life.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic lives of 3 to 4 years and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Amortisation periods and methods for intangible assets with finite useful lives are reviewed at least at each financial year-end. The Company owns no assets of indefinite useful life.

Non-current tangible assets

Non-current tangible assets are accounted for at acquisition cost less accumulated depreciation and impairment. Depreciation is calculated using the straight-line (linear) method by proportionally writing off the acquisition value of each separate asset unit over the following useful lives of assets:

Furniture	6 years,
Office equipment	3 years,
Vehicles	6 - 10 years,
Other non-current assets	4 - 6 years.

Non-current tangible assets are constantly reviewed in order to evaluate the reduction of their value, if any changes of events or circumstances show that the accounting value might be non-recoverable. The accounting value of assets is immediately reduced to recoverable amount in case the accounting value exceeds the established recoverable amount. Recoverable amount is the fair value of assets less costs of sales, or the value of use, depending on which is higher. Profit or loss from sales of non-current tangible assets is based on its accounting value and is included in the statement of comprehensive income. On each accounting date, the net book value of assets and useful life periods are reviewed and updated respectively, if necessary.

Fair value of assets and liabilities

Fair value is the price that would be received when selling assets or paid when transferring liabilities via an ordinary transaction between market participants at the measurement date. Fair value measurement is based on the presumption that the asset sale or liability transfer transaction takes place either:

- In the principal market of the assets or liabilities;
- In the absence of a principal market, in the market that is the most advantageous for these assets or liabilities.

The principal or the most advantageous market must be accessible to the Company.

All assets and liabilities with a fair value are measured and recognised in these financial statements according to the fair value hierarchy provided below. The hierarchy is comprised according to the lowest level input which is important for determining fair value:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
Level 2: fair value calculated using measurement methods; where the lower level variables having a significant effect on the fair value are directly or indirectly available in the market;
Level 3: fair value calculated using measurement methods, when variables of the lowest level having a significant effect on the fair value are not based on information available in the market.
If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The fair value of an asset or liability is measured using assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account the market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in certain circumstances, and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The fair value of interest-bearing assets is estimated based on discounted cash flow value using the interest rates for items with similar terms and risk characteristics. In the case of inactive markets, valuation techniques are applied for measuring fair value.

Taxes

Corporate income tax

In accordance with the Republic of Lithuania Law on Corporate Income Tax, the current income tax rate is 15% on taxable income. Expenses related to taxation charges and included in these financial statements are based on calculations made by the management in accordance with the Lithuanian tax legislation.

Deferred income tax is accounted for using the balance sheet liability method on all temporary differences arising between the tax bases of assets and liabilities and their accounting values in the financial statements. Deferred tax assets are recognised in respect of tax losses to the extent that it is probable that taxable profit will be earned against which the losses can be utilised. Likely future taxable profit is measured when determining the amount of deferred tax assets that can be recognised. Deferred income tax is calculated by applying tax rates that are effective or approved on the statement of financial position date, and are expected to be applied when the deferred income tax assets are realised or the deferred income tax liability is settled. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit nor loss.

Tax losses can be transferred for an unlimited period, except losses incurred due to the transfer of securities. Losses from the transfer of securities can be carried forward for 5 consecutive years. As of 1 January 2014, forwarded tax losses can cover no more than 70% of the taxable income of the current year.

Deferred tax related to the re-measurement of available-for-sale securities which are accounted for in the statement of comprehensive income (other comprehensive income), is also accounted for in the statement of comprehensive income and subsequently recognised in the profit (loss) together with the deferred gain or loss.

Other taxes

Other taxes are accounted for under the administrative expenses item in the statement of comprehensive income.

Foreign currencies

Foreign currency transactions

Foreign currency transactions are converted to euros according to the exchange rate of the respective currency and euro established by the Bank of Lithuania which was effective on the date of the operation. Profit and loss arising from the execution of such operations and from the conversion of monetary assets and liabilities denominated in currencies other than the euro are accounted for as profit or loss.

Monetary assets and liabilities denominated in foreign currency are translated into functional currency using the exchange rate of the relevant currency which was effective at the date of the statement of financial position. Foreign currency exchange gains and losses are recognised as profit or loss. Non-monetary items are accounted for at acquisition value using the exchange rate that was effective on the date of the transaction, and non-monetary assets accounted for at fair value or revalued value are converted by using the exchange rate that was effective on the date the fair value was determined.

Employee benefits

Social security contributions

The Company pays social security contributions to the State Social Insurance Fund (hereinafter - the Fund) for its employees according to the established contribution plan and in accordance with the legal requirements of the Republic of Lithuania. The established contribution plan is a plan according to which the Company transfers contributions of an established size to the Fund and has no legal or constructive obligation to continue paying these contributions, if the Fund does not have sufficient assets to be able to pay all the benefits to employees related to their service during current and previous periods. Social security contributions are recognised as expenses on an accrual basis and are included within staff costs. Social security contributions are allocated each year by the Fund for pension, health, sickness, maternity and unemployment payments.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it will likely require economic resources to settle obligations, and this amount can be reliably estimated. Expenses relating to provision accounting are recognised in the statement of comprehensive income. If the effect of the time value of money is material, provisions are discounted using the pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase of a provision reflecting the previous period is registered in accounts as borrowing costs.

Contingent assets and liabilities

Contingent liabilities are not recognised in the financial statements. They are described in the notes to financial statements, excluding cases when the likelihood that resources providing economic benefits will be lost is very small.

Contingent assets are not recognised in the financial statements, however they are disclosed when an inflow or economic benefits are probable.

Off-balance items - entrusted assets/funds and related liabilities (trusteeship)

Assets and income together with related liabilities to return these assets, and/or any related income of the client are not included in these financial statements in cases when the Company acts as a trustee, proxy or agent. Securities and financial instruments acquired on assignment and using the funds of the client, on own behalf and on behalf of clients, are accounted for in the off-balance sheet statement of the clients' accounts.

Client funds/money means the resources kept in trust on behalf of the Company in current bank accounts and bank accounts under the term deposit contract. Clients' money is separated from the Company's resources and kept in trust in commercial banks.

Securities purchased on behalf of clients are securities purchased for clients on behalf of the Company in Lithuania and through foreign intermediaries. These securities are stored on behalf of the Company in various depositories and with other account managers.

Value of securities stored by the clients in the Company's securities accounts is calculated on the financial reporting date, by multiplying the quantity of the securities by the securities' market price, and, if such is not available - by the nominal value. Bonds purchased on behalf of clients are accounted for in off-balance accounts at their nominal value.

Contracts for Difference (CFD) are transactions in force on the reporting date, entered into on clients' behalf and account or on own behalf and the clients' account. CFD entered into on own behalf and the clients' account, i.e. derivative financial instruments held at the Company's accounts opened with the third parties (omnibus type accounts), any benefits or loss of which solely belongs to clients, and the Company acts as mediator only. The value of CFD on the day of financial statements is calculated by multiplying the amount of financial instruments by the difference between market value of related securities (on the day of transaction and revaluation). CFD acquired on the clients' account are accounted for at fair value as off-balance items, and factual receivables and payables arising from these financial instruments (between the Company and the clients) are included in the statement of financial position.

Client transactions on derivative financial instruments with a third party are Option and Forex transactions in force on the reporting date. They are included in off-balance accounts at fair value.

Post balance sheet events

All events that have occurred after the date of the statement of financial position (adjusting events) are provided in the financial statements if they are related to the reporting period and have a significant impact on the financial statements. All events that are significant but are not adjusting events are disclosed in the notes to these financial statements.

Use of measurements in the preparation of financial statements

Preparation of financial statements in conformity with the IFRS requires the use of measurements and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Although these measurements are based on management's best knowledge of current events and actions, actual results may ultimately differ from these measurements. The impact of such changes will be included in the financial statements once they appear.

<u>Business continuity</u>

The Company's management is fully convinced of stable and balanced performance going forward and based on that prepared these financial statements on the going concern basis.

<u>Impairment of loans, trade receivables and prepayments</u>

The Company reviews its granted loans, trade receivables and prepayments to assess impairment at least on a quarterly basis. When determining whether an impairment loss should be recorded in the statement of comprehensive income, the Company measures whether there is any objective proof indicating that there is a significant decrease in future cash flows from loans granted, trade receivables and prepayments.

Such objective proof may include signs indicating that there has been an adverse change in the payment status of borrowers, or national or local economic conditions that correlate with failure to fulfil one's obligations, as well as other objective and subjective factors. The Management uses measurements based on historical losses from assets related to similar credit risk and objective impairment proof when assessing its future cash flows. The methodology and assumptions used for measuring both the amount and timing of future cash flows are reviewed regularly to reduce any differences between calculated loss amounts and actual loss experience.

Fair value of financial instruments

Where the fair values of financial assets and financial liabilities recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The input to these models is taken from observable markets where possible, but where this is not feasible, certain assumptions are made when measuring fair values. The fair values of financial assets and liabilities are provided in the note on financial risk management.

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine deferred tax assets that must be recognised based upon the likely level of future taxable profit together with estimated future tax planning strategies. For deferred tax amounts, see Note 9.

FINANCIAL RISK MANAGEMENT

The Company analyses, measures, assumes and manages risks and risk groups in its activity. The purpose of risk management is to ensure acceptable profitability and return on equity by proper management of risks. Key types of risks that the Company faces are credit, foreign currency, interest rate, liquidity and operational risk. Concentration risk is seen as part of the credit risk. The Board and management of the Company, heads of divisions and internal controller are responsible for management of individual risks within their competence.

The Company is a financial institution, and management of its various financial risks is strictly regulated and supervised. For risk management, relevant procedures have been prepared: Trading Policy, Trading Risk Management Policy, Internal Capital Adequacy Assessment Process and Risk Management Strategy, Solvency and Liquidity Rules, Operational Risk Assessment and Management Strategy and Procedures, as well as other documents.

The following main financial risk management procedures are applied in the Company:

Capital adequacy – on a daily basis the Company must meet the capital adequacy ratio, calculated according to Regulation (EU) No. 575/2013 of the European Parliament and of the Council;
In trading activities – compliance with and assessment of position limits and additional restrictions;
Internal control performance is carried out by the specially assigned employee.

Credit risk

Credit risk means the risk for the Company to incur losses due to the failure of counterparties to fulfil their financial obligations towards the Company. Credit risk arises principally in investing and crediting activities and it is the most significant risk in the Company's business. Due to regular statements, the management of the Company is constantly informed on the level of credit risks taken and changes thereof.

When measuring the impairment losses on loans and financial assets, the Company follows the requirements of IFRS 9 Financial Instruments.

Loans and receivables

Credit risk arising from crediting activities is managed by carrying out a thorough analysis of the client before granting loans, and by monitoring thereof after the credit disbursement. The Company manages concentration risk by limiting and controlling concentration of credit risk; it evaluates possibilities of the client to repay the loan and collaterals.

Maximum credit risk position, irrespective of pledging measures and other liability implementation assurance tools:

	31 December 2021	31 December 2020
Credit risk exposure relating to on-balance sheet assets is as follows:		
Securities measured at fair value through profit (loss)	1.280.306	743.378
Cash and cash equivalents	867.211	1.633.071
Loans granted	589.143	386.971
Trade receivables and prepayments	905.469	699.732
Derivative financial instruments	-	-
Total	**3.642.129**	**3.463.152**

The table above represents credit risk exposure on 31 December 2021 and 2020, without taking into account any credit risk mitigation techniques.

When managing cash-related credit risks, the Company diversifies cash keeping places and stores cash in Lithuanian and foreign banks and financial brokerage firms which the Company believes to be secure. The management actively monitors ratings of banks and status of financial brokerage firms, therefore the management believes that the parties of the transaction will implement their liabilities.

Information on loans granted and trade receivables and prepayments for December 31 are summarised in the tables below:

	2021		2020	
	Loans	Trade receivables and prepayments	Loans	Trade receivables and prepayments
Loans and receivables neither past due nor impaired	589.143	811.162	386.971	542.274
Loans and receivables, past due but not impaired	-	94.307	-	157.458
Impaired loans and receivables	9.860	38.148	9.860	38.825
Total value	**599.003**	**943.617**	**396.831**	**738.557**
Minus: impairment	(9.860)	(38.148)	(9.860)	(38.825)
Net value	**589.143**	**905.469**	**386.971**	**699.732**

Past due but not impaired loans, trade receivables and prepayments mean loans, trade receivables and prepayments that are past due but have no individual allowances for impairment considering collaterals and other risk mitigating circumstances.

Impaired loans, trade receivables and prepayments mean loans, trade receivables and prepayments that have individual allowances for impairment by 100 percent, since it is not expected to recover them.

Analysis of past due but not impaired loans, trade receivables and prepayments for December 31 is as follows:

	2021		2020	
	Loans	Trade receivables and prepayments	Loans	Trade receivables and prepayments
Past due 1 -30 days	-	40.988	-	57.978
Past due 31-60 days	-	11.437	-	6.448
Past due 61-90 days	-	17.700	-	5.923
Past due over 90 days	-	24.182	-	87.109
Total	**-**	**94.307**	**-**	**157.458**

Having evaluated the financial status of debtors on 31 December 2021 and 2020, the Company did not additionally impair past due loans and prepayments for clients. The Company did not make additional value adjustments for trade receivables.

<u>Securities measured at fair value through profit (loss)</u>

Below is the analysis of securities measured at fair value through profit (loss) by geographical trade zone:

	31 December 2021	**31 December 2020**
Baltic countries	1.130.611	604.889
USA and Canada	96.676	132.475
Other EU countries	53.017	6.014
Other countries	2	-
Total	**1.280.306**	**743.378**

<u>Derivative financial instruments</u>

The credit risk arising from derivative instruments is managed daily by assessing the potential market value fluctuations. Margining agreements are established with the clients. Security measures (deposited funds or securities) are applied to manage the credit risk of these financial instruments, therefore the management believes that credit risk associated with derivative financial instruments is not significant.

<u>General assessment of risk</u>

In the table provided below, low risk transactions are secure transactions, i.e. sound financial status, stable operations, implementation of agreements without major violations, no past due short-term receivables and no past due receivable loans. Monetary funds are considered of low risk if they are kept in banks of the EU states and the USA, the parent banks of which have investment ratings and the share of cash at accounts of EU countries and USA brokers' platforms, which are covered by liabilities on the same platform. Receivables for which deposits have been taken from clients are also classified as low risk transactions.

Transactions that have loss factors and have risk of loan not being repaid, also cash at accounts of EU states and USA brokers platforms which are not covered by liabilities on the same platforms are assessed as those having higher risk.

Unclassified risk concerns such positions which have no credit risk assessment.

Low risk equity securities are securities traded in regulated markets.

Low risk debt securities are securities of rating BBB- and above, securities of higher risk - securities of rating below BBB-.

31 December 2021:	**Low risk**	**Higher risk**	**Unclassified**	**Total**
Credit risk exposure relating to on-balance sheet assets is as follows:				
Securities measured at fair value through profit (loss)	1.280.306	-	-	**1.280.306**
Cash and cash equivalents	867.211	-	-	**867.211**
Loans granted	486.526	102.617	-	**589.143**
Trade receivables and prepayments	511.494	94.307	299.668	**905.469**
Total	**3.145.537**	**196.924**	**299.668**	**3.642.129**

31 December 2020:	**Low risk**	**Higher risk**	**Unclassified**	**Total**
Credit risk exposure relating to on-balance sheet assets is as follows:				
Securities measured at fair value through profit (loss)	743.378	-	-	**743.378**
Cash and cash equivalents	1.633.071	-	-	**1.633.071**
Loans granted	288.790	98.181	-	**386.971**
Trade receivables and prepayments	461.223	157.458	81.051	**699.732**
Total	**3.126.462**	**255.639**	**81.051**	**3.463.152**

Foreign exchange risk

The policy of the Company is to coordinate cash flows from highly probable future sales with purchases in each foreign currency. The Company uses no financial instruments contributing to the management of foreign currency risk. On 31 December 2021 and 2020, cash assets and cash liabilities in different currencies were as follows (equivalent in euros):

	31 December 2021		**31 December 2020**	
	Assets	**Liabilities**	**Assets**	**Liabilities**
EUR*	3.197.959	603.098	3.413.387	471.144
USD	338.657	269.910	225.219	168.786
PLN	102.927	-	27.674	-
SEK	-	-	6.014	-
NOK	1.670	68.968	10.295	-
Other currencies	916	-	6.894	-
Total	**3.642.129**	**941.976**	**3.463.152**	**639.930**

The table below provides sensitivity of the Company's profit before tax and equity to possible foreign currency changes, when all other variables are treated as fixed (considering changes of cash assets and fair values of liabilities).

	Change	**31 December 2021**	**31 December 2020**
USD	-10 %	(6.875)	(6.043)
PLN	-10 %	(10.293)	(2.767)
SEK	-10 %	-	(601)
NOK	-10 %	(6.730)	(663)
Other currencies	-10 %	(92)	(689)
Total	**-10 %**	**(23.990)**	**(10.763)**

Sensitivity of foreign exchange risk is calculated by assessing possible losses from open positions, i.e. open foreign exchange position is multiplied by the expected foreign currency change.

Interest rate risk

Interest rate risk is the risk that the Company will incur losses due to price fluctuations of financial assets and liabilities measured at fair value through profit or loss in the statement of comprehensive income, concerning changes in the market interest rate.

Loans granted and received by the Company have fixed interest rates, thus the Company is not subject to interest rate risk, except for concluded financial leasing agreements which have a 3-month EURIBOR variable interest rate component. This interest rate risk is insignificant.

Liquidity risk

Liquidity risk is a risk that the Company will not be able to fulfil its financial liabilities upon their maturity. The policy of the Company is to maintain a sufficient amount of cash and cash equivalents or secure funding through an appropriate quantity of credit lines or other borrowing instruments in order to fulfil obligations both under ordinary and under difficult conditions without suffering unacceptable losses and without risking to lose good reputation.

Liquidity risk management is carried out by implementing the internal control function, establishing business continuity plans and procedures limiting any possible unforeseen risk, assessing the acceptability or unacceptability of services provided by the Company, carrying out product and service pricing management and internal resource reallocation functions, analysing the Company's processes and procedures, identifying risk points, and assessing the sufficiency of their control.

The table below summarises the Company's financial liability return deadlines on 31 December 2021 according to the undiscounted contractual payments.

	Within three months	After three months, but no later than within one year	After one year, but no later than within five years	After five years	No deadline /On demand	Total
Liabilities						
Lease (finance lease) liabilities	6.333	20.549	139.106	-	-	**165.988**
Leasing interest payable	2.073	5.803	17.448	-	-	**25.324**
Trade debts	79.455	-	-	-	-	**79.455**
Other financial liabilities	-	-	-	-	32.696	**32.696**
Loans received	-	-	-	-	293.152	**293.152**
Payroll liabilities	180.038	-	-	-	-	**180.038**
Total liabilities	**267.899**	**26.352**	**156.554**	**-**	**325.848**	**776.653**

The table below summarises the Company's financial liability return deadlines on 31 December 2020 according to the undiscounted contractual payments.

	Within three months	After three months, but no later than within one year	After one year, but no later than within five years	After five years	No deadline /On demand	Total
Liabilities						
Lease (finance lease) liabilities	5.653	17.083	70.414	-	-	**93.150**
Lease interest payable	-	-	4.291	-	-	**4.291**
Trade debts	107.658	-	-	-	-	**107.658**
Other financial liabilities	-	-	-	-	285.653	**285.653**
Derivative financial instruments	-	-	-	-	71.882	**71.882**
Loans received	-	-	-	-	4.840	**4.840**
Payroll liabilities	162.789	-	-	-	-	**162.789**
Total liabilities	**276.100**	**17.083**	**74.705**	**-**	**362.375**	**730.263**

Operational risk

A risk to suffer direct and indirect losses due to improper or unimplemented internal control processes, employee errors and/or illegal actions, as well as information systems and technology malfunctions or due to the influence of external factors.

Operational risk management is carried out by implementing the internal control function, establishing procedures limiting any possible unforeseen risk, insuring the Company's tangible assets, assessing the acceptability or unacceptability of services provided by the Company, carrying out product and service pricing management and internal resource reallocation functions, analysing the Company's processes and procedures, identifying risk points and assessing the sufficiency of their control.

Internal capital for operational risk is calculated by applying the basic indicator method in accordance with Regulation (EU) No 575/2013 of the European Parliament and of the Council (CRDIV/CRR).

The table below discloses the method of calculation of operational risk according to the basic indicator method in thousand EUR:

31 December 2021	**Year -3**	**Year -2**	**Last year**	**Average**
1. ALL BUSINESS LINES ACCORDING TO THE BASIC INDICATOR METHOD	2.302	3.045	2.529	2.625
CAPITAL CHARGE, %	-	-	-	15%
Exposure value, thousand EUR (Average* coefficient)				394
Capital requirements, thousand EUR (394*12,5)	**-**	**-**	**-**	**4.925**

31 December 2020	**Year -3**	**Year -2**	**Last year**	**Average**
1. ALL BUSINESS LINES ACCORDING TO THE BASIC INDICATOR METHOD	1.799	2.302	3.045	2.382
CAPITAL CHARGE, %	-	-	-	15%
Exposure value, thousand EUR (Average* coefficient)				357
Capital requirements, thousand EUR (298*12,5)	**-**	**-**	**-**	**4.463**

Fair value of financial assets and liabilities

The following items of financial assets and financial liabilities are not disclosed in the statement of financial position at their fair value: cash and cash equivalents, trade receivables and prepayments, loans granted, borrowings, other financial liabilities, trade debts. The management bodies of the Company have evaluated that the fair values of these assets and liabilities on 31 December 2021 and 2020 are approximately equal to their accounting value. Fair value of trade receivables and payables, loans and other non-derivative financial assets, as well as liabilities was treated as their accounting value due to relatively short term of instruments concerned (level 3).

The tables below summarise the Company's financial assets and liabilities measured at fair value. Financial instruments are provided in three fair value levels, as described in the note "Accounting principles".

Financial instruments were not reclassified from one level to the next in 2021 and 2020.

Measurement of financial assets and liabilities measured at fair value was performed on the statement of financial position date.

2021:	Level 1	Level 2	Level 3	Total
Derivative financial instruments, assets (Note 13)	-	-	-	-
Derivative financial instruments, liabilities (Note 13)	-	-	-	-
Securities measured at fair value through profit or loss (Note 12):				
Debt securities	151.496	-	-	151.496
Equity securities	1.128.810	-	-	**1.128.810**
Total	**1.280.306**	-	-	**1.280.306**

2020:	Level 1	Level 2	Level 3	Total
Derivative financial instruments, assets (Note 13)	-	-	-	-
Derivative financial instruments, liabilities (Note 13)	-	(71.882)	-	**(71.882)**
Securities measured at fair value through profit or loss (Note 12):				
Debt securities	-	-	-	-
Equity securities	743.378	-	-	**743.378**
Total	**743.378**	**(71.882)**	-	**671.496**

The fair value of all derivatives of the Company is assigned to Level 2. The largest part is the price difference (CFD) transactions, the revaluation of which is based on market variables.

FINANCIAL RISK MANAGEMENT (continued)

Capital management

For reporting periods beginning on or after 1 July 2021, the Company's capital is calculated and distributed to risks in accordance with European Parliament and Council Directives (2019/2033, 2019/2034, 2021/2284), European Parliament and Council Regulation 575/2013 (CRDIV/CRR), as well as Basel III standards and the legal acts of the Republic of Lithuania.

For reporting periods up to 30 June 2021, the Company's capital was calculated and distributed to risks in accordance with European Parliament and Council Directive 2013/36/EU, European Parliament and Council Regulation 575/2013 (CRDIV/CRR), as well as Basel III standards and the legal acts of the Republic of Lithuania. The Company's capital management objectives are as follows:

1) Follow capital requirements established by the European Union and higher capital ratios to be achieved, which are established by the main shareholder,
2) Ensure continuity of the Company's performance, return for shareholders and benefits for other interested parties,
3) Promote the development of the Company's business based on stable capital basis.

Every quarter, information on capital adequacy is provided to the supervising institution based on the requirements of the European Union and the Bank of Lithuania. The capital of the Company is subdivided into the following 2 levels:

1) Level 1/General level one equity (CET 1) capital, which consists of registered capital, retained earnings of the previous financial year, other reserves, accrued other comprehensive income, value adjustments according to the requirements of valuation based on risk limiting principles, less intangible assets, prepayments and deferred tax assets.
2) Level 2 capital consists of other transitional adjustments related to other accrued comprehensive income.

On 31 December 2021 and 2020, the Company had no level 2 capital.

Assets evaluated according to risk are calculated based on the risk-weighting of assets, which are attributed to classes according to the type of assets and type of party of the transaction, also by considering collaterals and guarantees, which are recognised as adequate for risk minimisation. Accordingly, with certain modifications, off-balance sheet items are also measured based on risk.

The table below provides the composition of capital and ratios of the Company for the year ended on 31 December 2021. By considering the requirements of the supervising institutions, the Company is subject to an 100% capital adequacy ratio. Moreover, new capital reserves were introduced in 2016, which must be carried out by the Company, i.e. in 2016, additional capital conservation buffer of 2.5% was applied to all Lithuanian financial brokerage firms of class A. In 2021 and in the previous year, the Company met all capital requirements to which it was subject.

	Ratios (thousand EUR)	**2021**
1.	**Level one capital of the Company**	**1.714**
1.1.	Authorised capital	1.593
1.2.	Reserves	159
1.3.	Total value of additional valuation adjustment (AVA) estimates	(5)
1.4.	Profit of previous year	6
1.5.	Profit of reporting year	-
1.6.	Intangible assets	(4)
1.7.	Deferred corporate income tax assets	(7)
1.8.	Prepayments and deferred expenses	(28)
2.	**Capital requirements CR (maximum amount of rows 2.1; 2.2; 2.3)**	**750**
2.1.	Minimum initial capital	750
2.2.	One quarter of the company's added cost amount of last year	614
2.3.	General K-factor requirement	634
3.	**Capital adequacy ratio (1 row/2 row)**	**228,53%**

The table below provides the composition of capital and ratios of the Company for the year ended on 31 December 2020, and comparable data for the year 2021. By considering the requirements of the supervising institutions, the Company was subject to an 8% capital adequacy ratio. Moreover, new capital reserves were introduced in 2016, which must be carried out by the Company, i.e. in 2016, additional capital conservation buffer of 2.5% was applied to all Lithuanian financial brokerage firms of class A. In 2021 and 2020, the Company met all capital requirements to which it was subject.

	Ratios (thousand EUR)	2021	2020
1.	**Level one capital of the Company**	**1.714**	**1.620**
1.1.	Authorised capital	1.593	1.593
1.2.	Reserves	159	159
1.3.	Total value of additional valuation adjustment (AVA) estimates	(5)	(5)
1.4.	Profit of previous year	6	1
1.5.	Profit of reporting year	-	-
1.6.	Intangible assets	(4)	(1)
1.7.	Deferred corporate income tax assets	(7)	(8)
1.8.	Prepayments and deferred expenses	(28)	(119)
2.	**Capital requirements (CR)**	**11.131**	**8.436**
2.1.	Credit risk	4.055	2.436
2.2.	Position risk	1.688	850
2.3.	Foreign currency risk	125	188
2.4.	Operational risk	4.925	4.463
2.5.	Credit valuation adjustment risk	338	150
2.6.	Large exposure risk	-	349
3.	**Capital adequacy ratio (1 row/2 row)**	**15,40%**	**19,20%**

OTHER NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 NET INCOME FROM SERVICES AND COMMISSION FEES

	2021	2020
Income from services and commission fees:		
Income from commission fees	2.905.251	2.543.966
Valuation and consulting services	757.452	390.891
Accounting for and storage of securities	513.484	469.838
Market making and other fixed fee services	132.330	174.264
Accounting services	120.656	59.323
Currency exchange income	52.413	37.369
Depository services	37.409	-
Total income from services and commission	**4.518.995**	**3.675.651**
Costs of services and commission fees:		
Fees to brokers	(447.351)	(196.594)
Fees to stock exchanges, depositories	(169.357)	(141.610)
Fees for access to trading and data platforms	(24.144)	(27.329)
Software maintenance	(50.827)	(43.858)
Consultations	(59.600)	(26.697)
Other expenses	(42.861)	(40.177)
Total costs of services and commission fees	**(794.140)**	**(476.265)**
Net income from services and commission fees	**3.724.855**	**3.199.386**

NOTE 2 NET INTEREST INCOME

	2021	2020
Interest income:		
Interest on cash held in bank accounts	72.542	25.132
REPO transaction interest	24.640	27.066
Interest for loans	3.719	39.214
Total interest income	**100.901**	**91.412**
Interest expense:		
Interest for loans	(101.543)	(38.283)
Total interest expense	**(101.543)**	**(38.283)**
Net interest income	**(642)**	**53.129**

NOTE 3 NET PROFIT (LOSS) OF TRADE IN SECURITIES, DERIVATIVES AND FOREX TRANSACTIONS

	2021	2020
Realised profit (loss) from trade in shares	99.396	66.458
Net unrealised revaluation result of financial assets and liabilities measured at fair value through profit or loss	17.677	4.621
Positive (negative) impact of forex changes	2.271	1.908
Net dividend income	148	1.608
Realised profit (loss) from derivatives	(219)	-
Total	**119.273**	**74.595**

NOTE 4 CHANGE IN IMPAIRMENTS AND OTHER PROVISIONS

	2021	2020
Change in impairment of doubtful debts	713	6.842
Doubtful debt expenses	(410)	(9.777)
Total	**303**	**(2.935)**

NOTE 5 PERSONNEL EXPENSES

	2021	2020
Salaries	(1.226.704)	(1.143.842)
Social insurance expenses	(19.750)	(18.424)
Change in unused annual leave accrual	(32.151)	(43.823)
Contributions to guarantee fund	(1.963)	(1.822)
Other employee-related expenses	(3.234)	-
Total	**(1.283.802)**	**(1.207.911)**

NOTE 6 DEPRECIATION AND AMORTISATION

	2021	2020
Depreciation of vehicles, plant and equipment	(35.459)	(25.790)
Amortisation of intangible assets	(1.070)	(5.084)
Total	**(36.529)**	**(30.874)**

NOTE 7 ADMINISTRATIVE EXPENSES

	2021	2020
Donations	(174.000)	(35.000)
Taxes (excluding corporate income tax)	(163.385)	(98.926)
Legal services	(121.993)	(136.800)
Professional training and secondment expenses	(79.033)	(72.182)
Premises rent and utilities expenses	(75.215)	(66.697)
Accounting services	(69.715)	(71.237)
Vehicle lease and maintenance expenses	(61.486)	(51.530)
Office expenses	(55.096)	(23.185)
Advertising and marketing expenses	(50.801)	(83.266)
Fines	(40.003)	(115.009)
Communication expenses	(16.947)	(26.771)
Compensations to clients	(1.211)	(32.325)
Insurance costs	-	(19.163)
Other	(139.215)	(42.968)
Total	**(1.048.100)**	**(875.059)**

NOTE 8 CASH AND CASH EQUIVALENTS

	31 December 2021	31 December 2020
Cash in bank accounts	867.211	1.533.071
Cash in transit	-	100.000
Total	**867.211**	**1.633.071**

On 31 December 2021 and 2020, cash included resources in different currencies in Lithuanian and foreign bank accounts and financial brokerage firms. On 31 December 2021 and 2020, the Company had no short-term fixed maturity deposits.

NOTE 9 CORPORATE INCOME TAX

	2021	2020
Components of income tax expenses (income)		
Income tax expenses of the reporting year	203.224	199.331
Costs (income from) of deferred corporate income tax	144	4.831
Last year's corporate income tax adjustment*	(48 103)	(49 109)
Income tax (income) expenses accounted for under the statement of comprehensive income	155.265	155.053

*Corporate income tax expenses for the previous year were adjusted by recalculating the income tax after the date of the financial statements, after taking over tax losses from companies of the group.

Calculation of corporate income tax expenses for 2021:

Profit (loss) before taxes for the reporting year	1.523.461
Total amount of increase in profit before taxes	287.853
Total amount of decrease in profit before taxes	(45.850)
Loss (profit) from transfer of securities	(89.774)
Loss (profit) from transfer of derivatives	291
Deducted double amount of granted support	(348.000)
Operating profit amount after deduction of support	**1.327.981**
Profit (loss) from transfer of securities	89.774
Profit (loss) from transfer of derivatives	(291)
Amount of losses of the previous year deducted from the profit of securities and derivatives	(62.638)
Taxable profit (loss) for the reporting year	**1.354 826**
Income tax for the reporting year	**203.224**

	31 December 2021	31 December 2020
Deferred income tax assets		
Impairment of assets	74.588	75.265
Annual leave pay accrual	2.366	2.086
Unrealised profit/loss from revaluation of financial assets	(406)	156
Deferred income tax assets before realisation allowance	**76.548**	**77.507**
Less: realisation allowance	(26.580)	(26.580)
Net deferred income tax assets	49.968	50.927
Deferred income tax liabilities	-	-
Income tax rate	15 %	15 %
Deferred income tax	**7.495**	**7.639**

On 31 December 2021 and 2020, deferred income tax assets and liabilities were calculated by applying a 15 percent rate.

The changes of temporary differences before and after tax effect in the Company were as follows:

	2019	In the statement of comprehensive income	2020	In the statement of comprehensive income	2021
Impairment of assets	96.029	(20.764)	75.265	(677)	74.588
Social insurance contributions	1.323	763	2.086	280	2.366
Unrealised profit/loss from revaluation of financial assets	35.381	(35.225)	156	(562)	(406)
Total temporary differences	132.733	(55.226)	77.507	(959)	76.548
Less: realisation allowance	(49.600)	23.020	(26.580)	-	(26.580)
Temporary differences before income tax rate	83.133	(32.206)	50.927	(959)	49.968
Applied income tax rate	15%	15%	15%	15%	15%
Net deferred income tax	12.470	(4.831)	7.639	(144)	7.495

NOTE 10 OTHER CURRENT ASSETS

	31 December 2021	31 December 2020
Accrued income	82.081	64.232
Other assets	16.336	10.747
Total	**98.417**	**74.979**

NOTE 11 TRADE RECEIVABLES AND PREPAYMENTS

	31 December 2021	31 December 2020
Receivables from buyers	628.719	547.414
Prepayments	15.230	110.092
Receivables from buyers related to contracts for differences	294.648	77.322
Accrued CFD commission fee	5.020	3.729
Total	**943.617**	**738.557**
Less: doubtful trade receivables and prepayment impairment	(38.148)	(38.825)
Total	**905.469**	**699.732**

Receivables from buyers are non-interest bearing and their payment term is usually 30 days.

Receivables from buyers and prepayments with a nominal value of 38 thousand euros on 31 December 2021 (39 thousand euros on 31 December 2020) were impaired by 100%. The reversal of value adjustments on receivables of 1 thousand euros is recognized in the statement of comprehensive income.

The ageing analysis of receivables from buyers and prepayments of the Company for 31 December 2021 and 2020 is provided in the credit risk section of the Financial Risk Management note.

Movement of impairment accounted for receivables and prepayments:

	Receivables from buyers	**Prepayments**
Balance on 31 December 2019	(59.589)	(26.580)
Impairment recovery	6.912	-
Impairment write-off	40.432	-
Balance on 31 December 2020	**(12.245)**	**(26.580)**
Impairment recovery	677	-
Impairment write-off	-	-
Balance on 31 December 2021	**(11.568)**	**(26.580)**

NOTE 12 SECURITIES MEASURED AT FAIR VALUE THROUGH PROFIT (LOSS)

	31 December 2021			31 December 2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equity securities						
Baltic countries	950.566	-	-	578.105	-	-
USA and Canada	96.676	-	-	132.475	-	-
Other EU countries	53.017	-	-	6.014	-	-
Other countries	2	-	-	-	-	-
Total equity securities	**1.100.261**	-	-	**716.594**	-	-
Collective investment undertaking units						
Other EU countries	-	-	-	-	-	-
Baltic countries	28.549	-	-	26.784	-	-
Total collective investment undertaking units	**28.549**	-	-	**26.784**	-	-
Debt securities						
Baltic countries	151.496	-	-	-	-	-
Total debt securities	**151.496**	-	-	-	-	-
Total securities	**1.280.306**	-	-	**743.378**	-	-

NOTE 13 DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are essentially used for hedging against risks according to the Company's risk management policy. The Company enters into transactions involving contracts for differences seeking to hedge against contracts for differences fair value fluctuation risk.

The value of a derivative financial instrument becomes positive (assets) or negative (liabilities) as a result of fluctuations in share prices considering the terms of transactions entered.

Aggregate amounts of derivative contracts can fluctuate within the limits set by the Company. Fair values of derivative financial assets and liabilities may fluctuate significantly, depending on circumstances in the market.

The fair values of derivative financial instruments are set out in the following table.

	Nominal values (set out in the agreement)	**Fair values**	
		Assets	**Liabilities**
31 December 2021			
Contracts for differences (CFD based on acquired securities)	-	-	-
Contracts for differences (CFD based on acquired equivalent CFD)	-	-	-
Contracts for differences (CFD entered based on borrowed securities)	-	-	-
Contracts for differences (acquired by the Company)	-	-	-
Total	-	-	-
31 December 2020			
Contracts for differences (CFD based on acquired securities)	566.680	-	71.882
Contracts for differences (CFD based on acquired equivalent CFD)	-	-	-
Contracts for differences (CFD entered based on borrowed securities)	-	-	-
Contracts for differences (acquired by the Company)	-	-	-
Total	**566.680**	**-**	**71.882**

NOTE 14 LOANS

	31 December 2021	**31 December 2020**
Loans pledged by securities*	486.526	288.790
Loans granted to related parties	5.340	5.157
Other loans	107.137	102.884
Total	**599.003**	**396.831**
Total impairment loss:	(9.860)	(9.860)
Other loans	(9.860)	(9.860)
Total net loans granted to clients	**589.143**	**386.971**
Total long-term portion of loans granted	**44.389**	**61.493**
Fair value of collaterals received*(unaudited)*	**1.285.889**	**650.654**

Remaining amount accounted for as other non-current financial assets were deposits amounting to 12.550 euros in 2021 (10.872 euros in 2020).

* Collaterals received are securities. The circumstances of use thereof are established in agreements with clients.

On 31 December 2020, the agreed deadlines of loans granted were from 2 to 24 months (with one exclusive loan having a deadline of 5 years). The average interest rate for loans granted was 8.7 percent in 2021.

On 31 December 2020, the agreed terms of loans granted were from 3 to 24 months. The average interest rate for loans granted was 8.7 percent in 2020.

Change in the impairment of loans is accounted for under the impairment and other provision expenses item.

Long-term portion of loans granted is accounted for as other non-current assets in the balance sheet together with long-term prepayments made.

NOTE 15 NON-CURRENT TANGIBLE AND INTANGIBLE ASSETS

	Vehicles	Other tangible assets	Assets managed under right of lease	Total tangible assets	Intangible assets
Acquisition cost:					
31 December 2019	**54.958**	**87.007**	**40.014**	**181.979**	**39.341**
Acquisitions	-	34.210	31.045	65.255	-
Write-offs and sales	-	(32.094)	-	(32.094)	-
31 December 2020	**54.958**	**89.123**	**71.059**	**215.140**	**39.341**
Acquisitions	146.894	76.058	-	222.952	3.500
Write-offs and sales	(54.958)	(13.625)	(40.014)	(108.597)	-
31 December 2021	**146.894**	**151.556**	**31.045**	**329.495**	**42.841**
Depreciation					
31 December 2019	**12.212**	**57.275**	**7.949**	**77.436**	**33.179**
Write-offs and sales	-	(27.968)	-	(27.968)	-
Depreciation expenses for the year	9.160	16.630	-	25.790	5.085
Operating lease depreciation expenses	-	-	8.118	8.118	-
31 December 2020	**21.372**	**45.937**	**16.067**	**83.376**	**38.264**
Write-offs and sales	(24.426)	(12.988)	(22.268)	(59.682)	-
Depreciation expenses for the year	9.422	26.037	-	35.459	1.069
Operating lease depreciation expenses	-	-	13.962	13.962	
31 December 2021	**6.368**	**58.986**	**7.761**	**73.115**	**39.333**
Residual value:					
31 December 2019	**42.746**	**29.732**	**32.065**	**104.543**	**6.162**
31 December 2020	**33.586**	**43.186**	**54.992**	**131.764**	**1.077**
31 December 2021	**140.526**	**92.570**	**23.284**	**256.380**	**3.508**

Non-current intangible assets include computer software and licences thereof.

There were no non-current tangible assets pledged to a third party on 31 December 2021 and 31 December 2020.

On 31 December 2021 and 31 December 2020, the Company had ownership rights to all of the non-current tangible assets.

Part of the Company's non-current tangible assets whose acquisition value was 20 thousand euros on 31 December 2021 (19 thousand euros on 31 December 2020) was completely depreciated, but still in use. Most of the depreciated assets which were still in use was computer hardware.

Part of the Company's non-current intangible assets whose acquisition value was 39 thousand euros on 31 December 2021 (32 thousand euros on 31 December 2020) was completely depreciated, but still in use. Most of the depreciated assets which were still in use were computer software and licences thereof.

NOTE 16 LOANS RECEIVED AND FINANCE LEASE

	31 December 2021	31 December 2020
Lease – amounts payable after one year, net value	139.106	70.414
Lease – interest payable after one year	17.448	2.458
TOTAL	**156.554**	**72.872**
Lease – amounts payable within one year, net value	26.882	22.736
Lease – interest payable within one year	7.876	1.833
Overdrafts (credit balance of current accounts)	293.152	4.840
TOTAL	**327.910**	**29.409**
Total	**484.464**	**102.281**

In 2021 and 2020, all long-term liabilities were to be paid within 5 years.

	2021	2020	2021	2020
	Average duration		Average interest rates	
Lease (finanel lease)	48 months	60 months	4,80 %	2,24 %
Lease (assets managed under right of assets)	60 months	60 months	2,24 %	2,24 %
Overdrafts (credit balance of current accounts)	Open-ended	Open-ended	1 – 2 %	1 – 2 %

NOTE 17 OTHER FINANCIAL LIABILITIES

	31 December 2021	31 December 2020
Amounts payable for the acquisition of short positions	32.696	285.653
Total gross accounting value of financial liabilities:	**32.696**	**285.653**
Total net accounting value of financial liabilities Total:	**32.696**	**285.653**

NOTE 18 PAYROLL LIABILITIES

	31 December 2021	31 December 2020
Accrued unused annual leave	136.039	119.918
Social insurance contributions payable	43.999	43.037
Accrued amounts paid in 2020	-	(166)
Total	**180.038**	**162.789**

NOTE 19 OTHER CURRENT LIABILITIES

	31 December 2021	31 December 2020
Accrued expenses	12.382	16.369
Payable VAT	20.485	10.522
Other taxes payable to the budget	4.230	4.230
Debts to accountable persons	1.756	1.240
Prepayments	56.376	973
Total	**95.229**	**33.334**

NOTE 20 CAPITAL AND LEGAL RESERVE

Authorised capital

The Company's authorised share capital consists of 78.572 ordinary shares with a par value of EUR 20.27 each, and the authorised share capital in amount of EUR 1.592.654.

In managing the capital, the management bodies of the Company ensure that the size of the equity capital is not smaller that ½ of the Company's authorised share capital, as required by the Law on Companies of the Republic of Lithuania. On 31 December 2021 and 2021, the Company met all the aforesaid requirements.

Capital adequacy ratio is disclosed in the Capital Management section of the Financial Risk Management note.

Legal reserve

The legal reserve is mandatory according to the legal acts of the Republic of Lithuania. At least 5% of net accounting profit must be annually allocated to the legal reserve until it reaches at least 10% of the authorised share capital. On 31 December 2021, the Company's legal reserve was fully formed. The legal reserve may not be allocated as dividends, but may be used to cover future losses.

Undistributed profit

Over the reporting year of 2021, the Company allocated and paid out 1.050 thousand euros of dividends under the decision of shareholders.

NOTE 22 ASSETS ASSIGNED FOR MANAGEMENT

Assets managed on trustee basis and liabilities are accounted for in the off-balance sheet accounts.

		31 December 2021	31 December 2020
I.	Guarantees and sureties granted	-	-
II.	Managed client assets	**5.534.339.786**	**1.102.187.822**
II.1.1.	Clients' cash	26.073.201	27.689.563
II.1.2.	Securities purchased on behalf of clients	5.162.657.036	752.076.475
II.1.3.	Accounted securities of clients, represented at the Central Securities Depository of Lithuania	344.323.660	321.771.130
II.1.4.	Pledged securities of clients		
II.1.5.	Securities purchased from clients under reverse repurchase agreements	1.285.889	650.654
III.	Other off-balance sheet liabilities		
IV.	Amount of clients' transactions with a third party concluded on derivative financial instruments	**562.262**	**1.132.029**
V.	Financial instruments based on which clients concluded CFD with a third party	**7.402.276**	**4.331.882**
VI.	Financial instruments based on which clients concluded CFD with the company	**917.017**	**922.564**
VI.1.	Financial instruments based on which the company purchased securities as CFD leverage	917.017	922.564
	Total	**5.543.221.341**	**1.108.574.297**

NOTE 22 CONTINGENT LIABILITIES

The Company's management is not aware of any circumstances which may result in a potentially significant liability in this respect.

NOTE 23 RELATED PARTY TRANSACTIONS

Parties are considered to be related when one party is able to control the other or have significant influence over the other party when making financial and operational decisions. Related parties of the Company are its shareholders and other companies, which are controlled by shareholders of the Company.

Transactions of the Company made with related parties in 2021, and balances on 31 December 2021 were as follows:

	Purchases	Sales	Receivables/ Loans	Amounts payable	Dividends
Shareholders	-	-	5.340	-	1.050.000
Other related entities	325.228	906.641	63.155	98.785	-
Total	**325.228**	**906.641**	**68.495**	**98.785**	**1.050.000**

In 2021, the Company provided fund unit distribution services to funds managed by UAB Orion Asset Management employees.

Transactions of the Company made with related parties in 2020, and balances on 31 December 2020 were as follows:

	Purchases	Sales	Receivables/ Loans	Amounts payable	Dividends
Shareholders	-	-	5.157	-	615.000
Other related entities	92.780	1.377.285	217.861	1.480	-
Total	**92.780**	**1.377.285**	**223.018**	**1.480**	**615.000**

In 2020, the Company provided fund unit distribution services to funds managed by UAB Orion Asset Management employees.

The Company has no guarantees from related parties concerning receivables or payables to related parties. On 31 December 2021 and 2020, the Company did not account for any impairment on doubtful debts related to receivables from related parties.

Management's remuneration and other payments

In 2021, remuneration calculated for the Company's management comprised a total of 102 thousand euros (94 thousand euros in 2020). In 2021, the Company's management consisted of 1 employee (1 employee in 2020). In 2021 and 2020, the Company's management did not receive any loans, or any other paid or calculated amounts or asset transfers.

NOTE 24 SUBSEQUENT EVENTS

On 24 February 2022, Ukraine was invaded by Russia. Due to the rapidly changing situation and many uncertainties, it was difficult for the Company to assess the potential impact of these events on its operations at the time these statements were drawn up. The performed analysis is presented below:

- Investors are likely to invest more passively, and choose new investment projects and products;
- It may be harder to attract new investing Clients;
- There will be a need for safer investments outside the Baltic region;
- Many investors and partners will focus on investment and asset preservation solutions and processes;
- The Company's revenue and the number of new Clients will decrease;
- The funds of most Clients are held with foreign intermediaries, therefore we do not expect their security to be affected;
- The Company has prepared action plans in the event of loss of access to accounting and trading systems.

These financial statements were signed on 25 March 2022.

Director
Alius Jakubėlis

Dainius Minelga
Authorised accountant